Company registration number 00314850 (England and Wales)

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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A. ANDREWS & SONS (MARBLES & TILES) LIMITED

COMPANY INFORMATION

Directors	Mr D M Clough Mr M Wilson Mr N D F Prior
Secretary	Mr C Dean
Company number	00314850
Registered office	324-330 Meanwood Road Leeds West Yorkshire LS7 2JE
Auditor	Azets Audit Services Limited 33 Park Place Leeds LS1 2RY

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

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A. ANDREWS & SONS (MARBLES & TILES) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business
The Group is predominantly engaged in the installation of terrazzo tiles and natural stone products to floors and walls within the construction industry in the UK.

The review provided is consistent with the size and non-complex nature of our business and is presented in the context of the risks and uncertainties that are ever present.

The Group operates as a link within a construction-dominant supply chain using its vast experience and quality processes to ensure the timely delivery of each project and adapting to changes that arise from time to time.

Turnover and margins are to a large degree dependent upon investment in the construction sector which in turn is governed by consumer confidence. Competition within the areas where the Group focuses is ever-present and maintaining or improving turnover and margin continues to be ever challenging.

The Group's development and performance will continue to be achieved by carefully managing contracts engagement and, wherever possible, to expand its current footprint within the construction sector that it operates. This diversification into other markets other than the supermarket groups is a fundamental and positive goal, which continues.

Development and performance
The financial statements present a balanced and comprehensive review of the development and performance of the business during the year and of its position at the year end.

As in the previous year the financial performance of the Company has been negatively impacted by the Coronavirus pandemic. Our business activity was curtailed during the early part of the year although the Company was able to make use of HM Government Furlough/Job Retention Scheme and so retained its workforce. Activity levels did increase in the second half of the year but the Company was then faced with the same supply chain issues encountered by many businesses. The major impact of this was the rising cost of supply prices and the Company chose to honour existing agreements with its key clients rather than seek to immediately pass o price increases. Whilst this resulted in a depressed margin for 2021, it has helped with agreeing new prices for 2022.

Not withstanding the pandemic the operating profit and profit before tax are in line with directors' expectations and these have not been achieved without continued value engineering and attaining high client satisfaction in a fiercely competitive market place.

The profit and loss reserves have decreased from £8,711,245 to £8,578,285 net of dividends declared during the year of £524,183. The net assets of the Group at the year-end totalled £7,048,100 (2020 - £7,231,385).

The Board strive to achieve continual improvement at all times to create long-term value and sustainable growth by financially empowering and commercially developing our people.

Key performance indicators
We consider that the key performance indicators of turnover, gross margin and return on capital employed have communicated the strength of the Group in the past and they will continue to be engaged for the future.

The Group does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through its credit control procedures and credit insurance. The nature of its financial instruments mean that they are not subject to price or liquidity risks.

The Group does provide detailed weekly/monthly internal reports for submission to the Board so that it is cognisant with the current financial status.

Future developments

The directors, where economically viable, will adhere to the planned strategies and react to market changes to ensure the continued stability and strength of the company, enabling it to take advantage of the opportunities as they occur in a continuing economically challenging marketplace.

The continued development of the group in the marketplace remains a key focus of the directors to maintain where possible its position in a challenging economy, whilst ensuring that the focus on quality and service is not compromised by price.

The legacy impact of the Coronavirus pandemic paired with supply chain issues has resulted in continuing challenges facing the Group, with the business demonstrating its flexibility to mitigate the impact of these challenges. The Group anticipates activity levels and performance of 2021 to continue through to 2022. The strength and liquidity of its balance sheet and the loyalty of its workforce will hopefully see the Group continue to tackle these challenges and achieve forecasts.

By order of the board

C G Dean 05/09/2022

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Mr C Dean
Secretary

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A. ANDREWS & SONS (MARBLES & TILES) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities
The principal activity of the group continued to be the installation of terrazzo, ceramic and natural stone floor and wall finishes, and the manufacture of terrazzo flooring.

Results and dividends
The results for the year are set out on page 9.

The directors declared and paid dividends in the year as follows: £10,688 Ordinary (2020 - £10,688), £147,564 'A' Ordinary (2020 - £132,321), £45,515 'B' Ordinary (2020 - £47,480), £46,710 'C' Ordinary (2020 - £75,098), £337 'D' Ordinary (2020 - £338), £1,350 'E' Ordinary (2020 - £1,350), £28,724 'G' Ordinary (2020 - £36,925), £112 'H' Ordinary (2020 - £113), £72,670 'J' Ordinary (2020 - £76,780) and £113 'K' Ordinary (2020 - £113).

The directors also approved the following interim dividends prior to the balance sheet date: £25,000 'A' Ordinary (2020 - £30,000), £75,000 'B' Ordinary (2020 - £50,000), £14,000 'C' Ordinary (2020 - £40,000), £6,400 'G' Ordinary (2020 - £10,000), £Nil 'J' Ordinary (2020 - £23,000) and £50,000 'K' Ordinary (2020 - £20,000).

The directors are proposing a final dividend in respect of the financial year ending 31 December 2021 of £25 per Ordinary share, 'A' to 'E' and 'G' to 'K' Ordinary shares (2020 - £22.50 per ordinary share). The proposed final dividend is subject to approval by the directors at a Board Meeting and has not been included as a liability in these financial statements.

The directors recommend that the retained profit (before dividends) of £431,312 is taken to reserves.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D M Clough
Mr M Wilson
Mr N D F Prior

Auditor
Azets Audit Services Limited were appointed auditors to the company following their acquisition of the trade and assets of Garbutt & Elliott Audit Limited on 1 December 2021. In Accordance with section 487(2) of the Companies Act 2006 they are deemed to be reappointed annually.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

By order of the board

C G Dean

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Mr C Dean
Secretary

Date: 05/09/2022

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A. ANDREWS & SONS (MARBLES & TILES) LIMITED

Opinion

We have audited the financial statements of A. Andrews & Sons (Marbles & Tiles) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management, and from inspection of the group's regulatory and legal correspondence. We discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising environmental and employment legislation and health and safety and, in the current climate, Covid-19 regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities, incentives and pressures that may exist within the group to commit fraud. Our risk assessment procedures included: enquiry of directors and management to understand the high-level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures, we identified the greatest potential for fraud in the following areas:

- revenue recognition and in particular the risk that revenue is recorded in the wrong period; and

- subjective accounting estimates.

As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;

- assessing significant accounting estimates for bias; and

- testing the timing and recognition of revenue and year end WIP balances, with procedures performed to ensure sales cut off is appropriately applied.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Matthew Grant (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

Date: 05/09/2022

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	**3**	12,549,695	11,757,017
Cost of sales		(8,725,977)	(8,236,493)
Gross profit		3,823,718	3,520,524
Administrative expenses		(3,391,978)	(3,407,444)
Other operating income		67,025	702,282
Operating profit	**4**	498,765	815,362
Interest receivable and similar income	**8**	101	2,237
Interest payable and similar expenses	**9**	(4,504)	(4,274)
Amounts written off investments		138,011	37,469
Profit before taxation		632,373	850,794
Taxation	**10**	(175,375)	(182,315)
Profit and total comprehensive income for the financial year		456,998	668,479
Profit and total comprehensive income for the financial year is attributable to:			
- Owners of the parent company		391,223	587,480
- Non-controlling interests		65,775	80,999
		456,998	668,479

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Goodwill	12		48,621		61,034
Tangible assets	13		1,972,533		2,025,675
Investments	14		2,018,926		1,832,915
			4,040,080		3,919,624
Current assets					
Stocks	16	1,427,258		1,141,321	
Debtors	15	2,847,734		2,639,265	
Cash at bank and in hand		2,051,305		3,462,796	
		6,326,297		7,243,382	
Creditors: amounts falling due within one year	21	(2,966,635)		(3,603,247)	
Net current assets			3,359,662		3,640,135
Total assets less current liabilities			7,399,742		7,559,759
Creditors: amounts falling due after more than one year	22		(66,090)		(105,874)
Provisions for liabilities					
Deferred tax liability	17	285,552		222,500	
			(285,552)		(222,500)
Net assets			7,048,100		7,231,385
Capital and reserves					
Called up share capital	19		6,017		6,017
Capital redemption reserve			10,464		10,464
Other reserves			(1,641,160)		(1,641,160)
Profit and loss reserves			8,578,285		8,711,245
Equity attributable to owners of the parent company			6,953,606		7,086,566
Non-controlling interests			94,494		144,819
			7,048,100		7,231,385

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 05/09/2022 and are signed on its behalf by:

David Clough

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Mr D M Clough
Director

Company Registration No. 00314850

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**13**		1,319,731		1,331,032
Investments	**14**		2,908,356		2,722,345
			4,228,087		4,053,377
Current assets					
Stocks	**16**	929,972		678,144	
Debtors	**15**	4,206,540		4,044,301	
Cash at bank and in hand		1,527,521		2,716,649	
		6,664,033		7,439,094	
Creditors: amounts falling due within one year	**21**	(4,032,342)		(4,573,874)	
Net current assets			2,631,691		2,865,220
Total assets less current liabilities			6,859,778		6,918,597
Provisions for liabilities					
Deferred tax liability	**17**	156,552		122,500	
			(156,552)		(122,500)
Net assets			6,703,226		6,796,097
Capital and reserves					
Called up share capital	**19**		6,017		6,017
Capital redemption reserve			10,464		10,464
Other reserves			(1,641,160)		(1,641,160)
Profit and loss reserves			8,327,905		8,420,776
Total equity			6,703,226		6,796,097

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £431,312 (2020 - £581,897 profit).

The financial statements were approved by the board of directors and authorised for issue on 05/09/2022 and are signed on its behalf by:

David Clough

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Mr D M Clough
Director

Company Registration No. 00314850

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2020		6,017	10,464	(1,641,160)	8,677,971	7,053,292	213,215	7,266,507
Year ended 31 December 2020:								
Profit and total comprehensive income for the year		-	-	-	587,480	587,480	80,999	668,479
Dividends	11	-	-	-	(554,206)	(554,206)	(101,100)	(655,306)
Balance at 31 December 2020		6,017	10,464	(1,641,160)	8,711,245	7,086,566	144,819	7,231,385
Year ended 31 December 2021:								
Profit and total comprehensive income for the year		-	-	-	391,223	391,223	65,775	456,998
Dividends	11	-	-	-	(524,183)	(524,183)	(116,100)	(640,283)
Balance at 31 December 2021		6,017	10,464	(1,641,160)	8,578,285	6,953,606	94,494	7,048,100

Other reserves is the consideration for company own shares paid for by the company on behalf of A. Andrews Trustee Limited, the Employee Benefit Trust (EBT). In accordance with FRS 102 s9.33-38, the consideration paid is deducted from the equity until such time that the equity instruments vest unconditionally with employees.

Profit and loss reserves include £436,073 (2020 - £337,660) of un-distributable profit relating to revaluation gains made on listed investments, net of related deferred tax adjustments and corporation tax charges.

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2020		6,017	10,464	(1,641,160)	8,393,085	6,768,406
Year ended 31 December 2020:						
Profit and total comprehensive income for the year		-	-	-	581,897	581,897
Dividends	11	-	-	-	(554,206)	(554,206)
Balance at 31 December 2020		6,017	10,464	(1,641,160)	8,420,776	6,796,097
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	431,312	431,312
Dividends	11	-	-	-	(524,183)	(524,183)
Balance at 31 December 2021		6,017	10,464	(1,641,160)	8,327,905	6,703,226

Other reserves is the consideration for company own shares paid for by the company on behalf of A. Andrews Trustee Limited, the Employee Benefit Trust (EBT). In accordance with FRS 102 s9.33-38, the consideration paid is deducted from the equity until such time that the equity instruments vest unconditionally with employees.

Profit and loss reserves include £436,073 (2020 - £337,660) of un-distributable profit relating to revaluation gains made on listed investments, net of related deferred tax adjustments and corporation tax charges.

A. ANDREWS & SONS (MARBLES & TILES) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(383,082)		800,407
Interest paid			(4,504)		(4,274)
Income taxes paid			(135,028)		(284,784)
Net cash (outflow)/inflow from operating activities			(522,614)		511,349
Investing activities					
Purchase of tangible fixed assets		(217,900)		(92,567)	
Proceeds on disposal of tangible fixed assets		45,697		10,749	
Purchase of fixed asset investments		(48,000)		(48,000)	
Interest received		101		2,237	
Net cash used in investing activities			(220,102)		(127,581)
Financing activities					
Payment of finance leases obligations		(25,892)		(39,061)	
Dividends paid to equity shareholders		(526,783)		(881,206)	
Dividends paid to non-controlling interests		(116,100)		(116,100)	
Net cash used in financing activities			(668,775)		(1,036,367)
Net decrease in cash and cash equivalents			(1,411,491)		(652,599)
Cash and cash equivalents at beginning of year			3,462,796		4,115,395
Cash and cash equivalents at end of year			2,051,305		3,462,796

1 Accounting policies

Company information

A. Andrews & Sons (Marbles & Tiles) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 324-330 Meanwood Road, Leeds, LS7 2JE.

The group consists of A. Andrews & Sons (Marbles & Tiles) Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

The consolidated group financial statements consist of the financial statements of the parent company A. Andrews & Sons (Marbles & Tiles) Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable for installing and supplying terrazzo, ceramic and natural stone floor and wall finishes net of VAT and trade discounts.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	10% and 20% straight line
Motor vehicles	20% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Listed investments are valued at fair value.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies **(Continued)**

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

1 Accounting policies **(Continued)**

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.11 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Accounting policies **(Continued)**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.20 EBT shares treated as equity

FRS 102 s9.33-38 identifies that when intermediate payment arrangements, such as Employee Benefit Trusts (EBTs), hold the sponsoring entity's equity instruments the sponsoring entity shall account for the equity instruments as if it had purchased them directly. Therefore consideration paid for shares by the company on behalf of the EBT are recognised as a separate reserve within the Statement Of Changes In Equity.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Long term contracts

Work in progress is recognised for construction contract jobs which commenced before the Balance Sheet date, but were not completed. The valuation is estimated based on the actual costs incurred before the Balance Sheet date, which include labour, materials and other costs specifically allocated to the individual job by the quantity surveyor, less cash already received in advance.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

Investment valuations

Listed investments are recognised at fair value based on the market valuation at the Balance Sheet date. The market valuation is based on the quoted prices communicated by fund managers.

Depreciation

The depreciation policy has been set according to managements experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation without undue cost and therefore amounts are charged annually. The depreciation charged during the year was £255,034 (2020 - £262,093) which the directors feel is a fair reflection of the benefits derived from the consumption of the tangible fixed assets in use during the period.

Bad debt provision

Outstanding trade debtor balances are reviewed on a line by line basis by management to identify possible amounts where a provision is required. Management closely manage the collection of trade debtors and are therefore able to identify balances where there is uncertainty about its recoverability, and determine what provision is required (if any).

Stock provision

At each reporting date an assessment is made for provisions required to properly recognise wastage, damaged goods and over absorbed overheads. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss and provided for in the balance sheet. Reversals of impairment losses are also recognised in profit or loss where these arise.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Terrazzo	6,572,638	6,470,054
Pre Cast	371,495	420,811
Glasgow	1,104,820	593,422
Ceramic	1,899,090	2,042,007
Marble	378,755	528,145
Worktop	211,641	153,735
Tile showroom	1,588,191	1,239,173
Carriage and pallet recharges	423,065	309,670
	12,549,695	11,757,017

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	12,549,695	11,757,017

	2021	2020
	£	£
Other revenue		
Interest income	101	2,237
Grants received	41,405	681,132

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(2,413)	(1,219)
Government grants	(41,405)	(681,132)
Depreciation of owned tangible fixed assets	237,136	244,195
Depreciation of tangible fixed assets held under finance leases	17,898	17,898
(Profit)/loss on disposal of tangible fixed assets	(29,689)	3,223
Amortisation of intangible assets	12,413	12,413
Stocks impairment losses recognised or reversed	-	(29,332)
Operating lease charges	59,713	121,785

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2021 £	2020 £
For audit services		
Audit of the financial statements of the group and company	7,950	6,950
Audit of the financial statements of the company's subsidiaries	5,650	5,350
	13,600	12,300
For other services		
Taxation compliance services	2,700	2,500
All other non-audit services	3,150	2,950
	5,850	5,450

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	Group 2020 Number	Company 2021 Number	Company 2020 Number
Contracts, stores and distribution	90	90	59	64
Administration	25	26	25	26
Total	115	116	84	90

Their aggregate remuneration comprised:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,717,894	3,883,563	2,874,270	3,064,817
Social security costs	385,314	368,313	301,124	284,110
Pension costs	232,666	206,140	203,104	178,147
	4,335,874	4,458,016	3,378,498	3,527,074

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	57,396	69,465
Company pension contributions to defined contribution schemes	53,010	48,591
Pensions to former directors	-	2,000
	110,406	120,056

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	101	2,237

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	3,595	2,880
Other finance costs:		
Other interest	909	1,394
Total finance costs	4,504	4,274

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	114,097	165,460
Adjustments in respect of prior periods	(1,774)	355
Total current tax	112,323	165,815
Deferred tax		
Origination and reversal of timing differences	5,863	16,500
Changes in tax rates	57,189	-
Total deferred tax	63,052	16,500
Total tax charge	175,375	182,315

10 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	632,373	850,794
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	120,151	161,651
Tax effect of expenses that are not deductible in determining taxable profit	5,699	-
Adjustments in respect of prior years	1,774	-
Effect of change in corporation tax rate	57,189	-
Depreciation on assets not qualifying for tax allowances	1,377	-
Adjustment for previously unrecognised DT liabilities	-	17,527
Other tax adjustments	(10,815)	3,137
Taxation charge	175,375	182,315

11 Dividends

Recognised as distributions to equity holders:	2021	2020
	£	£
Interim paid	524,183	554,206

The directors declared and paid dividends in the year as follows: £10,688 Ordinary (2020 - £10,688), £147,564 'A' Ordinary (2020 - £132,321), £45,515 'B' Ordinary (2020 - £47,480), £46,710 'C' Ordinary (2020 - £75,098), £337 'D' Ordinary (2020 - £338), £1,350 'E' Ordinary (2020 - £1,350), £28,724 'G' Ordinary (2020 - £36,925), £112 'H' Ordinary (2020 - £113), £72,670 'J' Ordinary (2020 - £76,780) and £113 'K' Ordinary (2020 - £113).

The directors also approved the following interim dividends prior to the balance sheet date: £25,000 'A' Ordinary (2020 - £30,000), £75,000 'B' Ordinary (2020 - £50,000), £14,000 'C' Ordinary (2020 - £40,000), £6,400 'G' Ordinary (2020 - £10,000), £Nil 'J' Ordinary (2020 - £23,000) and £50,000 'K' Ordinary (2020 - £20,000).

12 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2021 and 31 December 2021	154,134
Amortisation and impairment	
At 1 January 2021	93,100
Amortisation charged for the year	12,413
At 31 December 2021	105,513
Carrying amount	
At 31 December 2021	48,621
At 31 December 2020	61,034

Company	Goodwill
	£
Cost	
At 1 January 2021 and 31 December 2021	30,000
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	30,000
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

13 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	850,041	2,438,115	518,000	649,333	4,455,489
Additions	-	114,036	46,539	57,325	217,900
Disposals	-	(142,250)	(35,637)	(91,803)	(269,690)
At 31 December 2021	850,041	2,409,902	528,902	614,855	4,403,700
Depreciation and impairment					
At 1 January 2021	43,550	1,499,987	470,802	415,475	2,429,814
Depreciation charged in the year	8,500	139,847	22,730	83,957	255,034
Eliminated in respect of disposals	-	(138,809)	(35,637)	(79,236)	(253,682)
At 31 December 2021	52,050	1,501,026	457,895	420,196	2,431,167
Carrying amount					
At 31 December 2021	797,991	908,876	71,007	194,659	1,972,533
At 31 December 2020	806,491	938,128	47,198	233,858	2,025,675

Company	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	850,041	1,113,167	368,552	649,333	2,981,093
Additions	-	63,160	46,539	57,325	167,024
Disposals	-	(142,250)	(35,637)	(91,803)	(269,690)
At 31 December 2021	850,041	1,034,078	379,454	614,855	2,878,428
Depreciation and impairment					
At 1 January 2021	43,550	869,682	321,354	415,475	1,650,061
Depreciation charged in the year	8,500	47,130	22,730	83,957	162,317
Eliminated in respect of disposals	-	(138,809)	(35,637)	(79,236)	(253,682)
At 31 December 2021	52,050	778,004	308,447	420,196	1,558,697
Carrying amount					
At 31 December 2021	797,991	256,074	71,007	194,659	1,319,731
At 31 December 2020	806,491	243,485	47,198	233,858	1,331,032

13 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Freehold land	275,000	275,000	275,000	275,000

Freehold land is not depreciated.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Plant and machinery	253,715	220,737	-	-
Depreciation charge for the year in respect of leased assets	17,898	17,898	-	-

14 Fixed asset investments

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Investments in subsidiaries	25	-	-	889,430	889,430
Investments in associates	26	1	1	1	1
Listed investments		2,018,925	1,832,914	2,018,925	1,832,914
		2,018,926	1,832,915	2,908,356	2,722,345

Listed investments are recognised at fair value based on market valuations at the Balance Sheet date. Comparable valuations on the historical cost basis is £1,465,000 (2020 - £1,417,000).

14 Fixed asset investments (Continued)

Movements in fixed asset investments

Group	Shares in associates	Other investments	Total
	£	£	£
Cost or valuation			
At 1 January 2021	1	1,832,914	1,832,915
Additions	-	48,000	48,000
Valuation changes	-	138,011	138,011
At 31 December 2021	1	2,018,925	2,018,926
Carrying amount			
At 31 December 2021	1	2,018,925	2,018,926
At 31 December 2020	1	1,832,914	1,832,915

Movements in fixed asset investments

Company	Shares in subsidiaries and associates	Other investments	Total
	£	£	£
Cost or valuation			
At 1 January 2021	889,431	1,832,914	2,722,345
Additions	-	48,000	48,000
Valuation changes	-	138,011	138,011
At 31 December 2021	889,431	2,018,925	2,908,356
Carrying amount			
At 31 December 2021	889,431	2,018,925	2,908,356
At 31 December 2020	889,431	1,832,914	2,722,345

15 Debtors

	Group		Company	
	2021	2020	2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	2,544,093	2,337,653	2,270,263	2,087,511
Other debtors	85,638	83,099	1,762,022	1,762,237
Prepayments and accrued income	218,003	218,513	174,255	194,553
	2,847,734	2,639,265	4,206,540	4,044,301

15 Debtors **(Continued)**

Included within the total trade debtors figure in the balance sheet are provisions for bad debts and warranties amounting to £391,322 (2020 - £404,606) and £75,000 (2020 - £137,000) respectively.

16 Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	124,697	103,941	-	-
Work in progress	591,810	402,807	566,444	381,800
Finished goods and goods for resale	710,751	634,573	363,528	296,344
	1,427,258	1,141,321	929,972	678,144

17 Deferred taxation

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	258,562	191,005
Investments	26,990	31,495
	285,552	222,500

Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	129,562	91,005
Investments	26,990	31,495
	156,552	122,500

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 January 2021	222,500	122,500
Charge to profit or loss	63,052	34,052
Liability at 31 December 2021	285,552	156,552

17 Deferred taxation **(Continued)**

The UK corporation tax rate was 19% throughout the year.

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are therefore measured at 25% (2020 - 19%).

18 Retirement benefit schemes

Defined contribution schemes	**2021** £	**2020** £
Charge to profit and loss in respect of defined contribution schemes	232,666	208,140

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

19 Share capital

	Group and company	
	2021	**2020**
Ordinary share capital	**£**	**£**
Issued and fully paid		
475 Ordinary shares of £1 each	475	475
416 'A' Ordinary shares of £1 each	416	416
334 'B' Ordinary shares of £1 each	334	334
125 'C' Ordinary shares of £1 each	125	125
15 'D' Ordinary shares of £1 each	15	15
60 'E' Ordinary shares of £1 each	60	60
4,537 'F' Ordinary shares of £1 each	4,537	4,537
25 'G' Ordinary shares of £1 each	25	25
5 'H' Ordinary shares of £1 each	5	5
20 'J' Ordinary shares of £1 each	20	25
5 'K' Ordinary shares of £1 each	5	25
	6,017	6,017

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption. The other share classes rank pari passu with the Ordinary shares.

20 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	69,251	58,104	48,255	36,240
Between two and five years	115,021	125,922	65,234	69,460
In over five years	-	3,334	-	-
	184,272	187,360	113,489	105,700

21 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Obligations under finance leases	24	87,220	73,328	-	-
Trade creditors		1,994,401	2,029,813	1,671,021	1,732,312
Amounts owed to group undertakings		-	-	144,742	82,422
Corporation tax payable		115,255	137,960	45,355	90,000
Other taxation and social security		216,381	770,850	151,875	642,122
Dividends payable		170,400	173,000	170,400	173,000
Other creditors		13,863	14,005	1,679,138	1,679,138
Accruals and deferred income		369,115	404,291	169,811	174,880
		2,966,635	3,603,247	4,032,342	4,573,874

22 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Obligations under finance leases	24	66,090	105,874	-	-

23 Related party transactions

A. Andrews Trustee Limited

The company recognises the assets and liabilities of the employee benefit trust A. Andrews Trustee Limited. This intermediary is only used for buying company shares back from other shareholders, with no restrictions relating to the assets and liabilities. No equity instruments are under option to employees or conditionally gifted to them.

A. Andrews Trustee Limited holds 4,537 (2020 - 4,537) F Ordinary shares of the company. The consideration paid by the company on behalf of A Andrews Trustee Limited for these shares amounts to £1,641,160 (2020 - £1,641,160), and is included within Other reserves in the Balance Sheet of these financial statements.

24 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	92,124	75,276	-	-
In two to five years	69,990	106,641	-	-
	162,114	181,917	-	-
Less: future finance charges	(8,804)	(2,715)	-	-
	153,310	179,202	-	-

Finance lease payments represent rentals payable by subsidiaries for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

25 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Kengate Holdings Limited	England and Wales	Holding company	Ordinary	75.00	-
QTL Holdings Limited	England and Wales	Holding company	Ordinary	-	75.00
Quiligotti Terrazzo Tiles Limited	England and Wales	Manufacturer of terrazzo tiles	Ordinary	-	75.00
A. Andrews Trustee Limited	England and Wales	Dormant	Ordinary	100.00	-

The investments in subsidiaries are all stated at cost.

25 Subsidiaries (Continued)

The registered office of Quiligotti Terrazzo Tiles Limited, QTL Holdings Limited and Kengate Holdings Limited is Rake Lane, PO Box 4, Clifton Junction, Manchester, M27 8LP.

The registered office of A. Andrews Trustee Limited is 324-330 Meanwood Road, Leeds, LS7 2JE.

26 Associates

Details of associates at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Kengate Terrazzo Tiles Limited	England and Wales	Dormant	Ordinary	50

The registered office of the above is 324-330 Meanwood Road, Leeds, LS7 2JE.

27 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	456,998	668,479
Adjustments for:		
Taxation charged	175,375	182,315
Finance costs	4,504	4,274
Investment income	(101)	(2,237)
(Gain)/loss on disposal of tangible fixed assets	(29,689)	3,223
Amortisation and impairment of intangible assets	12,413	12,413
Depreciation and impairment of tangible fixed assets	255,034	262,093
Gains on investments	(138,011)	(37,469)
Movements in working capital:		
(Increase)/decrease in stocks	(285,937)	705,422
(Increase)/decrease in debtors	(208,469)	409,571
(Decrease) in creditors	(625,199)	(1,407,677)
Cash (absorbed by)/generated from operations	(383,082)	800,407

28 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	3,462,796	(1,411,491)	2,051,305
Obligations under finance leases	(179,202)	25,892	(153,310)
	3,283,594	(1,385,599)	1,897,995